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No. 94-1627

In The

Supreme Court of the United States

October Term, 1994

SOCIETY OF FINANCIAL EXAMINERS,

Petitioner,

v.

NATIONAL ASSOCIATION OF CERTIFIED FRAUD EXAMINERS, et al.,

Respondents.

On Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Fifth Circuit

BRIEF IN OPPOSITION

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QUESTION PRESENTED

Did the Court of Appeals properly apply established Rule 56 standards when it reversed an interlocutory partial summary judgment after its review of the 900-page summary judgment record and its determination, contrary to Petitioner's broad-brush characterizations of an absence of disputed facts, that numerous and extensive disputes of material fact precluded summary judgment?

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BRIEF IN OPPOSITION

National Association of Certified Fraud Examiners ("NACFE"), National Association of Certified Fraud Examiners, Inc. ("NACFE, Inc."), Joseph T. Wells, Anthony Luizzo, Joel Nitzberg, John W. Francolla and Mary Vauruska, all Respondents herein, request this Court to deny the petition for writ of certiorari filed by Society of Financial Examiners ("SOFE") seeking review of the Fifth Circuit's judgment reported at 41 F.3d 223.

STATEMENT OF THE CASE

SOFE claims that this case presents the important issue of whether summary judgment is appropriate to dispose of federal trademark infringement claims. SOFE mistakenly claims that, in contrast to all other United States Courts of Appeal, the Fifth Circuit observes a rule that summary judgment is *never* appropriate to resolve trademark infringement disputes. SOFE further mistakenly claims that the Fifth Circuit applied its absolute "no-summary judgment" rule in this case to reverse the district court's grant of summary judgment on SOFE's trademark infringement claim.

Instead, this is a routine fact-intensive summary judgment case in which the court of appeals' de novo analysis of the summary judgment evidence simply differed from the district court's analysis. The district court granted partial summary judgment, concluding that SOFE had established that no genuine issue of material fact existed as to various trademark infringement issues. The Fifth Circuit concluded otherwise – not by applying any absolute rule against summary judgment in trademark infringement cases – but after conducting a standard Rule 56 analysis of the summary judgment evidence presented by the parties.

A basic flaw throughout SOFE's petition is its misunderstanding of appellate review under Rule 56. SOFE apparently believes that an appellate court should make every presumption in favor of affirmance. SOFE believes that "the Fifth Circuit . . . *erred* by considering only the factors and evidence that it perceived as weighing *against* a finding of likelihood of confusion. . . . " (Pet. at 17,

emphasis added.) To the contrary, the Fifth Circuit's analysis was exactly as required under Rule 56. Its *duty* is to "[c]onsider[ ] all evidence in the light most favorable to the non-moving party and resolv[e] all reasonable inferences in favor of the non-moving party." (App. 7a; *accord, Eastman Kodak Co. v. Image Technical Services, Inc.*, 504 U.S. 451, ___, 112 S.Ct. 2072, 2076-77 (1992); *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 255 (1986).)

This interlocutory summary judgment case presents no significant issue of law requiring this Court's attention or guidance.

FACTUAL BACKGROUND

Because SOFE's presentation of the facts of this case omit several points that are potentially relevant to the Fifth Circuit's holding, a more complete outline of the facts may be helpful to the Court.

NACFE is an association of approximately 10,000 members, all of whom are involved professionally in the detection and prevention of white collar fraud. (R. 456) NACFE, Inc. provides management, organizational and educational support for NACFE. (*Id.*) NACFE was formed for the purpose of promoting the detection and deterrence of fraud, to establish a formal qualification program for certified fraud examiners ("CFEs"), to introduce and administer a Uniform CFE Examination, and to maintain competency through continuing education. (R. 492) NACFE enforces a code of professional ethics for CFEs which requires professional integrity, commitment and

diligence, exacting procedural standards for fraud examinations and court appearances and an overall emphasis on competence and effectiveness. (R. 496) NACFE members come from both the private and public sectors and include insurance company investigators, accountants, attorneys, police officers, prosecutors, private investigators, professors and auditors and investigators employed by both federal and state agencies and by numerous private sector employees including oil companies, banks, hospitals, utilities, retail chains and brokerage firms. In short, NACFE membership is drawn from virtually every profession that routinely deals with white collar fraud. (R. 462-90)

As the name suggests, the Society of Financial Examiners has a different focus and purpose from that of NACFE. SOFE is a professional organization comprised exclusively of employees of state agencies who perform regulatory financial examinations of banks, savings and loans, credit unions and insurance companies. (R. 509, 540) While both SOFE and NACFE provide educational services, the services provided by SOFE focus narrowly on regulatory examinations of regulated financial institutions and do not appear to devote any substantive attention to fraud (R. 518, R. 556, R. 564, R. 573-75, R. 618); NACFE's educational programs do *not* focus on financial examination but deal pervasively with fraud. (R. 465-67, R. 1165-95)[1] SOFE has a membership of approximately

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[1] Thus, SOFE's contention that the educational services are "virtually identical" (Pet. at 4) is not a fair depiction of the summary judgment evidence.

2,000. Since the 1970s, SOFE has used the letters "CFE" as an acronym for "certified financial examiner." (R. 532)

From its inception in 1988, NACFE and its members used the title "certified fraud examiner" and the corresponding acronym "CFE" to designate persons who satisfied certain professional prerequisites relating to the detection and deterrence of fraud. (R. 457) In the spring of 1989 NACFE applied to register "CFE" with the Trademark Office. (R. 1205-1212) The Trademark Office denied the application on the grounds that the use of "CFE" as a title or degree was not eligible for trademark or service mark protection. (R. 497) Both the Trademark Office and NACFE's own trademark searches indicated that there were no registrations that would conflict with any use of "CFE." (R. 458)

Although NACFE was unaware of SOFE's existence or of its use of the acronym "CFE" to denote a certified financial examiner, SOFE had discovered NACFE's use of the same acronym to denote a certified fraud examiner by December 1988. (R. 607) SOFE filed for trademark registration of "CFE" in October 1989. (R. 599) The Trademark Office, however, informed SOFE that its application was unacceptable because it showed the use of CFE as "a certification mark and not as a service mark." (R. 609) On March 27, 1990, SOFE submitted a photocopy of the spine of a notebook to the Trademark Office in an effort to show that it used "CFE" as more than a mere designation of title. (R. 616)[2] On September 8, 1992, the Trademark

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[2] SOFE's "CFE," as submitted to show its use in connection with educational services, is reproduced in the appendix to this brief at page 1b.

Office granted SOFE a trademark registration for "CFE" in two extremely narrow and limited categories:

> i. [International Class 41] "*Educational services;* namely, providing *self-study* courses designed for persons *employed or engaged by or on behalf of government regulatory authorities* to conduct or assist in the *financial examination* of banks, savings and loans, credit unions, insurance companies and other financial institutions. . . . " (Emphasis added.)
>
> ii. [International Class 42] "*Association services;* namely, promoting the interests of *financial examiners* presently or formerly *employed or engaged by or on behalf of government regulatory authorities* to conduct or assist in the *financial examination* of banks, savings and loans, credit unions, insurance companies and other financial institutions. . . . " (Emphasis added.)

(R. 620) The underscored language emphasizes the narrowness of the trademark to uses that are different from services provided by NACFE. On September 9, 1992, SOFE filed this trademark infringement action against NACFE seeking, among other things, to enjoin NACFE and its members from any use of the letters "CFE." (R. 43) In this action, SOFE has never shown *any* evidence of confusion between its educational services and NACFE's, or between its associational services and NACFE's.

REASONS FOR DENYING THE WRIT

I.

The Fifth Circuit Conducted a Standard Rule 56 Analysis in this Case that is Entirely Consistent with this Court's Rulings and with the Decisions of Other Circuit Courts

SOFE attempts to manufacture a split in the circuits by claiming that the Fifth Circuit, unlike its sister circuits, applies a flat rule prohibiting summary judgment in any trademark infringement case and that the court applied that rule in this case to reverse the district court's grant of summary judgment. On its face, the Fifth Circuit's opinion in this case belies SOFE's contention. Rather than applying any absolute rule against summary judgment, the Fifth Circuit carefully articulated the well-known Rule 56 analysis mandated by this Court:

> A dispute about a material fact is "genuine" if the evidence would permit a reasonable jury to return a verdict for the nonmoving party. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248, 106 S.Ct. 2505, 2510, 91 L.Ed.2d 202 (1986). Hence this court tests the propriety of summary judgment by evaluating whether a reasonable fact finder could return a verdict for NACFE on either issue. Simply, would the result of submitting the case to a rational trier of fact be preordained? Considering all evidence in the light most favorable to the non-moving party and resolving all reasonable inferences in favor of the non-moving party, *id.* at 249, 106 S.Ct. at 2510-11, precipitates substantial doubt as to the proper solution to either issue. On this record, a trier-of-fact would be entitled to decide that

> "CFE" was generic or to adjudge the likelihood of confusion farfetched.

(App. 7a) In the next six pages of its opinion, the Fifth Circuit applied the *Anderson v. Liberty Lobby, Inc.* standard to the summary judgment evidence submitted by the parties and determined that a reasonable fact finder could have ruled against SOFE on the issues of whether its claimed trademark "CFE" was generic and whether NACFE's use of the letters "CFE" was likely to create confusion in the minds of potential purchasers of SOFE's products. The analysis conducted by the Fifth Circuit and its conclusion that summary judgment was improperly granted in light of the summary judgment evidence submitted is completely consistent with the requirements of this Court concerning Rule 56 analysis and with the decisions of other circuit courts involving similar trademark infringement claims. *See, e.g., Nike, Inc. v. "Just Did It" Enterprises*, 6 F.3d 1225 (7th Cir. 1993); *Olde Tyme Foods, Inc. v. Roundy's, Inc.*, 961 F.2d 200 (Fed. Cir. 1992); *Homeowners Group, Inc. v. Home Marketing Specialists, Inc.*, 931 F.2d 1100 (6th Cir. 1991); *Perini Corp. v. Perini Construction, Inc.*, 915 F.2d 121 (4th Cir. 1990).

Confronted with the Fifth Circuit's express application of the proper and standard Rule 56 analysis mandated by this Court, SOFE is forced to argue that the Fifth Circuit's analysis, which takes up the bulk of the court's opinion, is nothing but a dishonest ruse to conceal the Fifth Circuit's application of a flat rule against summary judgment in all trademark infringement cases. *See, e.g.*, SOFE's Petition at p. 18 ("[I]n a tortuous effort to give the appearance of a full review of the district court's summary judgment analysis, the court of appeals took a token

look at only those three of the seven foundation factors that it felt supported its pre-ordained results. . . . "), and at p. 29 ("The decision below manifests an improper and unwarranted antipathy to summary judgment, thinly cloaked by expressions of concern for factual determinations without a plenary trial."). If this Court is to accept SOFE's argument that the Fifth Circuit's decision conflicts with decisions from other circuits, this Court must ignore the analysis expressly and reasonably discussed in the Fifth Circuit's opinion. Thus, SOFE argues a *hypothetical* conflict among the courts of appeals: *all* would properly reverse the district court in light of the disputed facts presented here; but SOFE speculates that the Fifth Circuit would have reversed a summary judgment in a trademark case even if the material facts were *un*disputed.

It is not surprising that the Fifth Circuit did not apply an absolute rule against summary judgment in trademark infringement cases in this case, because no such rule exists. The case of *Marathon Manufacturing Co. v. Enerlite Products Corp.*, 767 F.2d 214 (5th Cir. 1985), which SOFE contends established such a rule, does no such thing.[3] In *Marathon*, both parties filed motions for

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[3] Although it now claims that *Marathon* established an absolute rule prohibiting summary judgment in trademark cases in the Fifth Circuit, in its opening brief to the Fifth Circuit SOFE instead asserted that:

> Summary judgment is appropriate in trademark infringement cases and courts in this Circuit have granted summary judgment in such cases on many occasions, with this Court affirming when requested.

In support of this proposition, SOFE cited *Beef/Eater Restaurants, Inc. v. James Burrough, Ltd.*, 398 F.2d 637, 638 (5th Cir. 1968), and four district court cases from the Fifth Circuit in which

summary judgment but vehemently disputed the conclusions to be drawn from a fully developed record that was submitted by agreement and without dispute. The court, far from establishing a flat rule that summary judgment was never proper in a trademark infringement case, merely pointed out that in cases like that one in which the summary judgment evidence raised competing inferences and a genuine issue of material fact, summary judgment is improper under Rule 56. *Id.* at 217. Moreover, even this uncontroversial statement was nothing more than dicta. The court determined that the parties had not intended to seek summary judgment, but had actually submitted the case for non-jury trial on a written record. The court then *affirmed* the judgment of the district court after determining that its fact finding regarding the likelihood of confusion was not clearly erroneous under Fed. R. Civ. P. 52(a). *Marathon* was not a Rule 56 summary judgment case at all, but an affirmance of the district court's findings under Rule 52.

The Fifth Circuit cited *Marathon* in its opinion in this case not because of any flat rule against summary judgments in trademark cases, but because *Marathon* involved similar facts and in order to counter SOFE's inaccurate argument that summary judgment was appropriate because both SOFE and NACFE had filed motions for summary judgment in which they claimed there was no genuine issue of material fact.[4] Immediately after the

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summary judgment was granted in trademark infringement cases. (Appellee's court of appeals brief, at p. 14.)

[4] NACFE's unsuccessful motion for summary judgment did not address likelihood of confusion but instead said there were no genuine issues of fact as to other dispositive issues. (R.

language from the Fifth Circuit's opinion quoted by SOFE on page 7 of its Petition, the following clarifying language appears:

> Notably [in *Marathon*] both parties had filed motions for summary judgment asserting that no material facts were in dispute.
>
> Notwithstanding this suggestion, identifying a genuine issue of material fact was not difficult in *Marathon* nor is it here. "[T]he fact that both parties simultaneously are arguing that there is no genuine issue of fact does not establish that a trial is unnecessary thereby empowering the court to enter judgment as it sees fit." Indeed, both factual questions – whether CFE is generic and the existence of likelihood of confusion – pose a genuine issue of fact in this case.

(App. 5a) (citations omitted).[5] It is abundantly clear that neither the decision in this case nor the decision in *Marathon* turned on the application of any absolute rule precluding summary judgments in trademark infringement cases.

443-54) NACFE adamantly asserted, however, that genuine issues of fact made summary judgment improper as to SOFE's motion for summary judgment. In accordance with Rule 56 procedures, NACFE introduced substantial evidence contesting SOFE's allegations regarding, among other things, likelihood of confusion. (*E.g.*, R. 634-57, 1614-1703, 1707-13, 1731-76.) SOFE nevertheless overzealously claimed that NACFE had not elected to dispute any facts in the district court. (SOFE's court of appeals brief, at pages 10-11, 12, 15-16.) The court of appeals disagreed with SOFE's inaccurate assertion. (App. 6a n.3)

[5] The court distinguished *Marathon* by concluding that unlike the parties in that case, NACFE did not consent to submission of this case on a written record. (App. 6a n.3)

SOFE's characterization of the Fifth Circuit's decision in this case as being based on a universal prohibition against summary judgments in trademark cases is negated by the Fifth Circuit's articulation and express application of the well-established Rule 56 analysis required by this Court. This fact alone defeats the premise for SOFE's petition. Contrary to SOFE's assertion that the Fifth Circuit has adopted an absolute rule against any summary judgments in trademark infringement cases, the Fifth Circuit has not done so in this case nor in any case cited by SOFE or in any other reported case of which Respondents are aware.[6] SOFE is simply wrong in its contention of a conflict among the circuits concerning the proper application of Rule 56 in a case of a disputed record, as here. The petition for writ of certiorari should be denied.

II.

The Fifth Circuit's Rule 56 Analysis was Not Faulty

The real basis for SOFE's petition is not a conflict in the circuits, but its contention that the Fifth Circuit erred

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[6] Indeed, contrary to SOFE's aggressive assertion (Pet. at pages 14-16), the most casual research shows several occasions on which the Fifth Circuit has affirmed summary judgments in trademark infringement cases. *See Matrix Essentials, Inc. v. Emporium Drug Mart, Inc.*, 988 F.2d 587 (5th Cir. 1993); *Beef/Eater Restaurants*, 398 F.2d 637. As pointed out above in note 3, SOFE relied on the latter case in arguing that summary judgment on trademark infringement claims *is* appropriate and available in the Fifth Circuit. The Fifth Circuit has never overruled or criticized these cases nor held that they are superseded by any absolute rule against summary judgments.

in examining only three of seven factors commonly considered by courts in determining likelihood of confusion. SOFE also contends that the Fifth Circuit's analysis of these three factors in light of the summary judgment record was incorrect and inconsistent with other decisions. None of SOFE's perceived errors has substance.

A. The Existence of a Genuine Issue of Material Fact with Respect to Three Indicators of Likelihood of Confusion is Sufficient to Preclude Summary Judgment.

The Fifth Circuit found that genuine issues of material fact exist in connection with three of seven factors commonly considered by courts in determining likelihood of confusion – actual confusion, similarity of mark and identity of purchasers. Partially on this basis, the court reversed the district court's grant of summary judgment. On pages 17 and 18 of its Petition, SOFE claims that the Fifth Circuit erred in considering only three of seven factors. SOFE cites several circuit court cases in support of the proposition that "each of the factors and all of the relevant evidence must be weighed and considered in determining the likelihood of confusion." (Pet. at 17).[7] However, none of the cited cases involved the review of a summary judgment in favor of the plaintiff. In the context

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[7] Under the standard articulated by SOFE it should be noted that the district court committed reversible error in this case by considering only six out of the possible seven factors. The district court expressly failed to make any determination regarding NACFE's knowledge and intent in adopting its use of the acronym CFE. (App. 23a-24a)

of reviewing a summary judgment in favor of the plaintiff, it is well established that summary judgment is improper if a genuine issue of material fact is discovered in connection with *any* of these factors that is sufficient to allow a reasonable fact-finder to find in favor of the defendant on the issue of likelihood of confusion. *See, e.g., Olde Tyme Foods, Inc. v. Roundy's, Inc.*, 961 F.2d 200, 203, 205 (Fed. Cir. 1992) (court reverses summary judgment in favor of plaintiff after finding genuine issue of material fact in connection with three factors, including two factors considered by the Fifth Circuit in this case – similarity of mark and evidence of actual confusion); *Perini Corp. v. Perini Construction, Inc.*, 915 F.2d 121, 127-28 (4th Cir. 1990) (court reverses summary judgment in favor of plaintiff based on finding genuine issue of material fact in connection with only one factor).[8] The Fifth Circuit's reversal of summary judgment based on its conclusion that genuine issues of material fact existed with regard to three of seven factors is completely consistent with the holdings of its sister circuits.

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[8] In *Perini Corp.*, the court of appeals reversed a summary judgment because the district court "made no inquiry into the sophistication of the ordinary consumer of [the] services." 915 F.2d at 127. Similarly, NACFE raised that issue in its opposition to summary judgment (R. 653), but the district court gave no attention to the issue. (See App. 23a-24a.)

B. The Fifth Circuit's Analysis of Actual Confusion, Similarity of Marks and Identity of Purchasers is Consistent with that of Other Circuits.

SOFE also contends that the Fifth Circuit erred as a matter of law in concluding that a genuine issue of material fact existed with respect to evidence of actual confusion, similarity of marks and identity of purchasers. SOFE claims that the Fifth Circuit's analysis of these issues is out of step with that of other circuit courts. SOFE's contentions are demonstrably false.

1. Evidence of actual confusion

SOFE submitted summary judgment evidence indicating that on twelve occasions confusion was created by a person's use of the initials "CFE" to denote either "certified financial examiner" or "certified fraud examiner." The occasions principally reflected momentary uncertainty that was cleared up following simple inquiry, typically in an employment context. Importantly, there is *no evidence* of actual confusion about associational services and *no evidence* of actual confusion about educational services. No one paid tuition or dues to the wrong entity; no one thought NACFE was an affiliate of SOFE.

The Fifth Circuit held that SOFE's evidence was not sufficient to prevent a reasonable fact-finder from determining that no likelihood of confusion existed. (App. 11a-12a) In its petition, SOFE relies exclusively on the number of episodes of confusion and argues that because other circuit courts have accepted fewer instances of actual confusion as probative evidence of likelihood of

confusion, the Fifth Circuit erred as a matter of law by failing to do so in this case. The circuit court cases cited by SOFE were not summary judgment cases, however. While evidence of twelve instances of confusion might be sufficient in proper circumstances to support a fact-finding following a trial concerning the likelihood of confusion, SOFE's evidence is not sufficient as a matter of law to support summary judgment. Moreover, the Fifth Circuit focused not just on the number of episodes of confusion but also on their quality – both in terms of who was confused and the severity and duration of the confusion:

> SOFE's affidavits support "at least twelve known instances of actual confusion." Whereas all of these are probative in a fact-finder's assessment of the likelihood of confusion, none represents confusion by a consumer of SOFE's wares. Seven of the "instances" occurred in an employment interview (or closely analogous) context. The other five episodes of confusion reflected mistaken presumptions that arose briefly from the display of "CFE" on a business card or letterhead.

(App. 11a, n.12) The Fifth Circuit's partial discounting of evidence of actual confusion based on the source and duration of the confusion is quite consistent with the standard practice of other courts of appeal. In *Homeowners Group, Inc. v. Home Marketing Specialists, Inc.*, a summary judgment case involving infringement of a trademark consisting of the letters "HMS," the court held as follows:

> Perhaps as important as the number of instances of confusion are the kinds of persons confused and degree of confusion. "Short-lived confusion

> of individuals casually acquainted with a business is worthy of little weight," while chronic mistakes and serious confusion of actual customers are worthy of greater weight.

931 F.2d 1100, 1110 (6th Cir. 1991) (reversing summary judgment; citations omitted).

There is no error in the Fifth Circuit's analysis of SOFE's asserted evidence of actual confusion. Rather, the Fifth Circuit appropriately determined that there was *no evidence* of any confusion concerning the two narrow categories of services for which SOFE had registered a mark (App. 11a-12a); and the Fifth Circuit noted that the summary judgment evidence and appropriate inferences favoring the non-movant "refute[ ] the likelihood of confusion." (App. 12a.)

2. Similarity of marks

The summary judgment evidence in this case established that SOFE commonly displays the letters "CFE" in conjunction with a check mark, when designating its educational services. (R. 516, 521, 528; *see* App. 1b.) In contrast, NACFE commonly uses "CFE" either at the bottom of a circular seal or in Old English script. (R. 1214, 1244; *see* App. 2b.) The district court ignored the different manners in which CFE is used by the two organizations and erroneously concluded that SOFE's and NACFE's use of "CFE" was identical. (App. 24a.) The Fifth Circuit disagreed:

> [T]he district court ignored the distinctive presentations of [the parties'] respective marks in the record concluding "[t]he 'CFE' mark used by

> the defendants is identical to that used by the plaintiffs." The visual contrast easily suffices to empower a trier-of-fact to decide otherwise.

(App. 13a)

On page 21 of its petition, SOFE cites three cases as support for the proposition that "absolute identity" of marks is not required to establish infringement. None of the cases cited was a summary judgment case. In a summary judgment context, courts of appeal routinely apply the same analysis applied by the Fifth Circuit in evaluating similarity of marks. For example, in *Homeowners Group, Inc. v. Home Marketing Specialists, Inc.*, 931 F.2d 1100, 1109 (6th Cir. 1991), the Sixth Circuit disagreed with the district court's finding that the parties' use of the marks was similar because each contained the letters "HMS." The court noted that the marks must be viewed in their entirety and because the letters were displayed in different contexts and in different scripts, a conclusion of similarity was not inevitable. In *Olde Tyme Foods, Inc. v. Roundy's, Inc.*, 961 F.2d 200, 203 (Fed. Cir. 1992), the court, in reversing a summary judgment in favor of the plaintiff, held that when viewed in their entirety, the parties' use of "Old Time" and "Ye Olde Tyme" could be found to be dissimilar by a reasonable fact-finder. The Fifth Circuit's analysis of the summary judgment evidence in evaluating similarity of marks is entirely consistent with the analysis applied by other courts of appeal. SOFE's contention to the contrary is groundless.

3. Identity of purchasers

The summary judgment evidence submitted to the district court established that NACFE's membership is composed of public and private sector employees involved in the detection and prevention of fraud. (R. 456) SOFE's membership is drawn exclusively from state regulators involved in the examination of financial institutions and insurance firms. (R. 509, 540) Only six of SOFE's 2,000 members appear also among the 10,000 members of NACFE. (R. 947, 955, 1048, 1116, 1126, 1263) Based on this record, the district court found that SOFE and NACFE served "relatively the same consumer market." (App. 24a) The Fifth Circuit disagreed:

> Similarly, the district court mistakenly assumed "identity of purchasers" to be unassailable. Although SOFE convincingly documented some tangency with NACFE's marketing, "[t]here are substantial dissimilarities between the predominant purchasers of plaintiff's and defendants' products." *Amstar*, 615 F.2d at 262. In particular, SOFE's marked accent on public regulatory officials commanded a more refined analysis of the congruence between the parties' potential customers. *Id.* (pivotal difference in advertising to 18-to-34 year old single males and middle-aged housewives).

(App. 13a)

SOFE argues that neither complete identity of mark or market is necessary for a finding of likelihood of confusion. As noted above, however, the three cases on which SOFE relies involve fact findings after trial and *not* summary judgments. In reviewing summary judgments

in favor of plaintiffs in trademark infringement cases, courts of appeal routinely find that differences in targeted markets are sufficient to allow a reasonable factfinder to find for the defendant on the issue of identity of purchasers. *See, e.g., Homeowners Group, Inc. v. Home Marketing Specialists, Inc.*, 931 F.2d at 1111 (targeted market consisting of real estate agents and targeted market consisting of real estate owners was not sufficiently similar to establish identity of purchasers as a matter of law); *Nike, Inc. v. "Just Did It" Enterprises*, 6 F.3d at 1230 (summary judgment evidence that defendant targeted market consisting of persons named "Mike" sufficient to allow jury to conclude non-identity with market consisting of general public). Again, SOFE's contention that the Fifth Circuit's analysis of the summary judgment evidence in this case constituted error as a matter of law is specious.

4. Fact issues also are present as to indicators not expressly addressed by the Fifth Circuit

The fact that the Fifth Circuit's opinion only addressed three indicators does not mean that no issues of fact exist as to others. NACFE pointed to record evidence negating SOFE's contentions as to other factors: similarity of products (*compare* R. 518, 556, 564, 573-75, 618 *with* R. 465-68, 1165-95); similarities in advertising (*compare* R. 897, 516-19, 556 *with* R. 1214, 1148-203); intent (R. 457-60); sophistication (R. 463-90, 509-10); and strength of mark (R. 1694-700, 1703).

III.

NACFE Submitted Extensive Summary Judgment Evidence Establishing SOFE's Generic Use of the Letters "CFE"

SOFE's second question on appeal – whether "CFE" is generic – asks this Court to determine a non-dispositive issue that is not properly presented on the present summary judgment record.[9] In any event, the Fifth Circuit properly found that fact issues exist as to whether the term "CFE," and the underlying phrase "certified financial examiner," are generally perceived by consumers and by SOFE itself as a designation of source (and therefore possibly protectible) or as a designation of title (and therefore not protectible as a matter of law). (App. 7a-9a.)

SOFE claims that undisputed summary judgment evidence established that it used the letters "CFE" as an indication of source rather than generically as a designation of type or species. On page 27 of its petition, SOFE makes the following assertion: "In telling contrast to NACFE's silence on the issue of genericness [sic], SOFE submitted affidavits and deposition transcripts from

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[9] The question cannot be dispositive in favor of SOFE. If SOFE were to receive a favorable decision from this Court – that is, a determination that the acronym for "certified financial examiner" is not generic – the very same reversal for trial would be required. To obtain judgment in its favor, SOFE must prove likelihood of confusion. One indicator is strength of mark. If the acronym is not generic (and therefore is potentially protectible), SOFE must prove distinctiveness or secondary meaning. *See Two Pesos, Inc. v. Taco Cabana, Inc.*, ___ U.S. ___, 112 S.Ct. 2753, 2757-58 (1992).

numerous members of the relevant markets who stated that they understood the 'CFE' mark to be an indication of association with, or sponsorship by, SOFE."[10] SOFE's characterization of silence by NACFE is oblivious to the record. NACFE submitted extensive evidence that SOFE used "CFE" not as a trademark to designate source in selling goods or services, but only as a convenient acronym for the title "certified financial examiner." This evidence included a copy of SOFE's requirements for becoming a certified financial examiner (R. 517-518), a copy of SOFE's newsletter in which "CFE" was repeatedly used to indicate title (R. 521-522), an affidavit by an expert (R. 1678-80), and excerpts from the depositions of numerous SOFE employees and members establishing SOFE's generic use of "CFE." (R. 525-26, R. 531-32, R. 534, R. 539-40, R. 543, R. 548, R. 551, and R. 554) NACFE also submitted the deposition testimony of Paul Dow, SOFE's president, which included the following exchange:

> Q. Within the context of the society, do you know of any meaning attributed to "CFE" other than Certified Financial Examiner?

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[10] SOFE also implies that only evidence of the public's perception of "CFE" is probative in determining whether those letters as used by SOFE are descriptive or merely generic. This suggestion is contradicted by one of the central cases on which SOFE relies, *Loglan Institute, Inc. v. Logical Language Group, Inc.*, 962 F.2d 1038 (Fed. Cir. 1992). In determining that the contested trademark in that case was generic rather than descriptive, the Federal Circuit, which SOFE claims has "special expertise in trademark matters," expressly considered evidence that the holder of the claimed trademark had used the trademark to denote type rather than source. *Id.* at 1041.

. . .

A. To my knowledge, it does not stand for anything else.

(R. 596) Based on the very point raised by this evidence, the Fifth Circuit concluded that SOFE had not established a nongeneric use of "CFE" as a matter of law:

> To secure protection . . . "CFE" must invoke the source of the designation and not just intimate a financial examiner who has been certified. Like J.D., M.B.A., Ph.D. and C.P.A., "certified financial examiner" could be poised to fail this test.

(App. 8a-9a)

SOFE lamely asserts that a "dictionary definition" was "strong evidence that the terms 'CFE' and 'certified financial examiner' are primarily perceived by the public as designations of source." (Pet. at 27 & n.17.) SOFE failed to examine the record evidence it purported to cite. The referenced *Acronyms, Initialisms & Abbreviations Dictionary* lists *eighteen* uses of "CFE" with eighteen different meanings, not merely the designation of title used by SOFE's members. (R. 1702-03.) Elsewhere, the summary judgment evidence includes at least four other uses and meanings of "CFE." (R. 1694-1700.) That evidence dramatically refutes SOFE's claim that "CFE" is popularly perceived to identify SOFE as a source.

Contrary to SOFE's assertions, NACFE submitted more than enough evidence to raise a genuine issue of material fact concerning the generic use of the phrase "certified financial examiner" and the acronym "CFE."

CONCLUSION

The Fifth Circuit examined the extensive summary judgment evidence on a de novo basis and concluded that genuine issues of fact existed concerning SOFE's contentions (i) that its claimed mark is not generic and (ii) that NACFE's use of "CFE" is likely to cause consumer confusion. The opinion was well-reasoned and applied familiar Rule 56 principles in non-controversial ways, resolving disputes and inferences in favor of the non-moving party.

SOFE attempts in its petition to portray an unwritten absolute rule by the Fifth Circuit, contrary to all other circuits. Instead, this case involves an application of Rule 56 in circumstances that present no conflict. All circuits require reversal of a summary judgment where, as here, there are genuine issues of material fact.

Respondents respectfully pray that the Court deny the petition for certiorari.

Respectfully submitted,

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May 3, 1995

APPENDIX

Page

SOFE mark 1b

NACFE mark 2b

SOFE

CFE

SOCIETY of FINANCIAL EXAMINERS

STUDY GUIDE for EXAMINATIONS to certify CERTIFIED FINANCIAL EXAMINERS

Recognized by the
NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

CFE News

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CFE Candidates Inaugurate Computerized Uniform CFE Examination

For the first time in the history of the Association, a substantial number of CFE candidates have elected to self-administer the Uniform CFE Examination on their personal computers.

Approximately two-thirds of the Examinations scheduled for October 1992 were administered on computer, while the remainder were administered by proctor, utilizing the traditional paper test format.

According to CFE Examination Administrator Jeanette LeVie, the computerized CFE Examination offers candidates the benefits of convenience and quicker grading.

The Board of Regents recently au-thorized the computerized Examination, and plans to expand use of the testing instrument in the future.

The computerized program, which ships as a set of three diskettes, contains Examination questions selected at random from the Association's master database, thereby ensuring that each individual Examination is unique. Additionally, numerous controls have been incorporated to protect the Examination's integrity.

The Board of Regents will evaluate the computerized Uniform CFE Examination during its regular February 1993 meeting. According to Regent Franklyn J. Howatt, it seems likely that the computerized Examination will soon replace the traditional pencil-and-paper version of the test.

The new version of the CFE Examination represents the Association's natural progression toward high-tech learning and testing tools.

However, soon to debut is the computerized *Uniform CFE Exam Preparation* self-study, which is slated for release in December 1992.

see CFE Exam, page 12

Last Chance for Advanced Standing

Program to Close December 31, 1992

Time is rapidly running out for Advanced Standing candidates.

The Advanced Standing Program allows qualified individuals to become CFEs without requiring them to take the rigorous 2-day Uniform CFE Examination. Instead, they are admitted by virtue of their education and experience.

However, applications for certification by waiver of examination must be postmarked no later than December 31, 1992.

To qualify for a waiver of examination, applicants must meet the following minimum criteria: (1) a baccalaureate degree from a recognized institution of higher learning; (2) eight years of professional experience in a field related to fraud detection or deterrence; (3) hands-on experience in uncovering, documenting, or investigating fraud; and (4) recommendations from three professional colleagues. In some cases, additional experience may be used as a substitute for the formal education requirement.

Beginning in 1993, new CFEs will be admitted primarily by examination.

The CFE program, initiated in June 1988, now boasts a roster of 7,000 Members. CFEs represent most corporations and major governmental agencies in the country, and include fraud auditors and investigators, internal and external auditors, law enforcement personnel, and academicians.

CFE applications can be obtained by calling Association headquarters at 1-800-245-3321.

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